

2019 PROPERTY ASSESSMENT UPDATE

Scott County Board of Commissioners

Presented by:

Michael Thompson, Scott County Assessor

Agenda

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Market Update

2

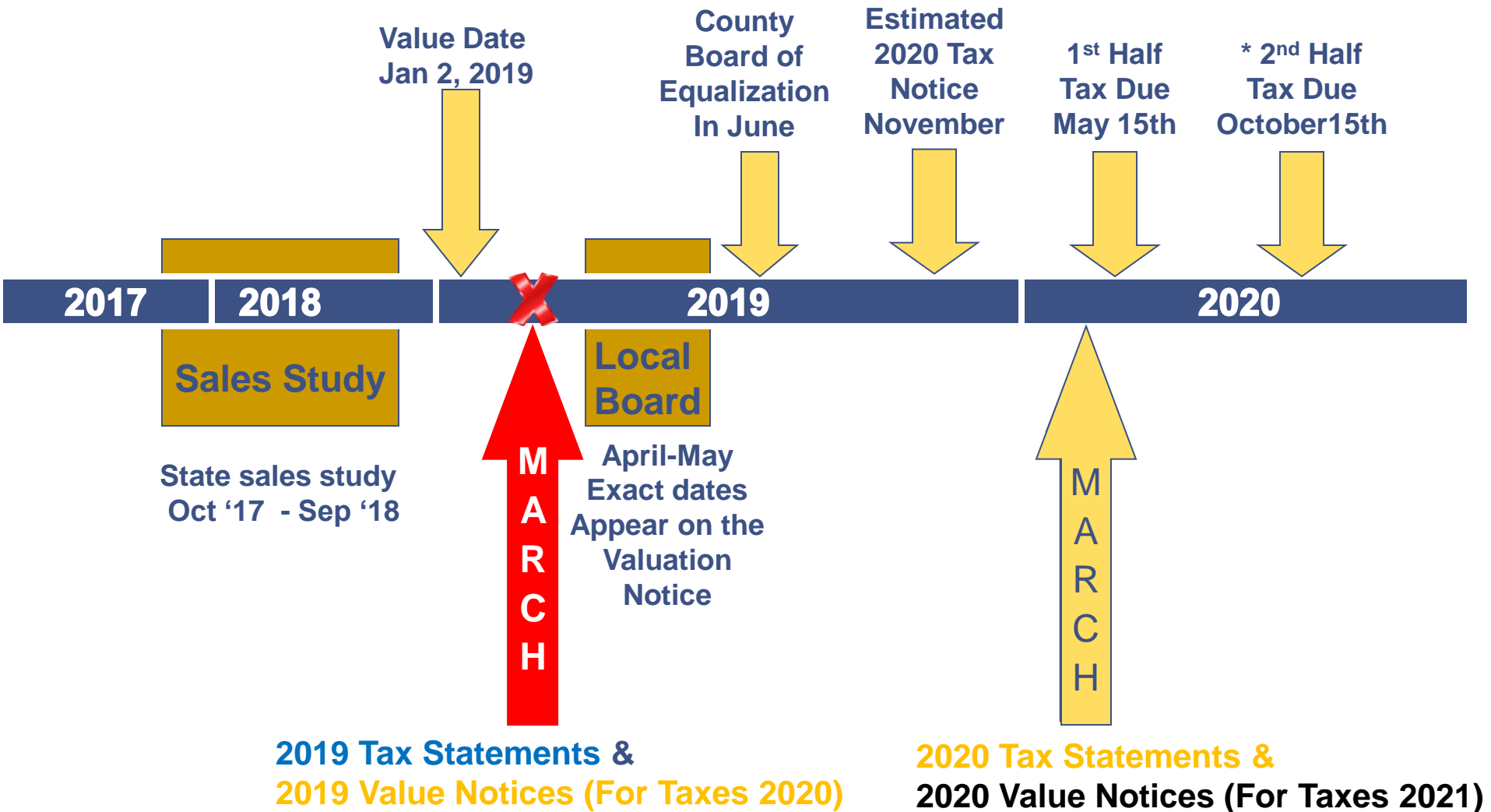


**Changes for
2019 Assessment**



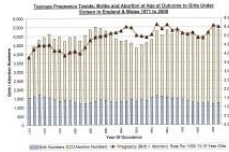
**Appeal and
Relief Options**

Timeline for Property Taxes Payable in 2020



Agenda

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Market Update



Changes for 2019 Assessment



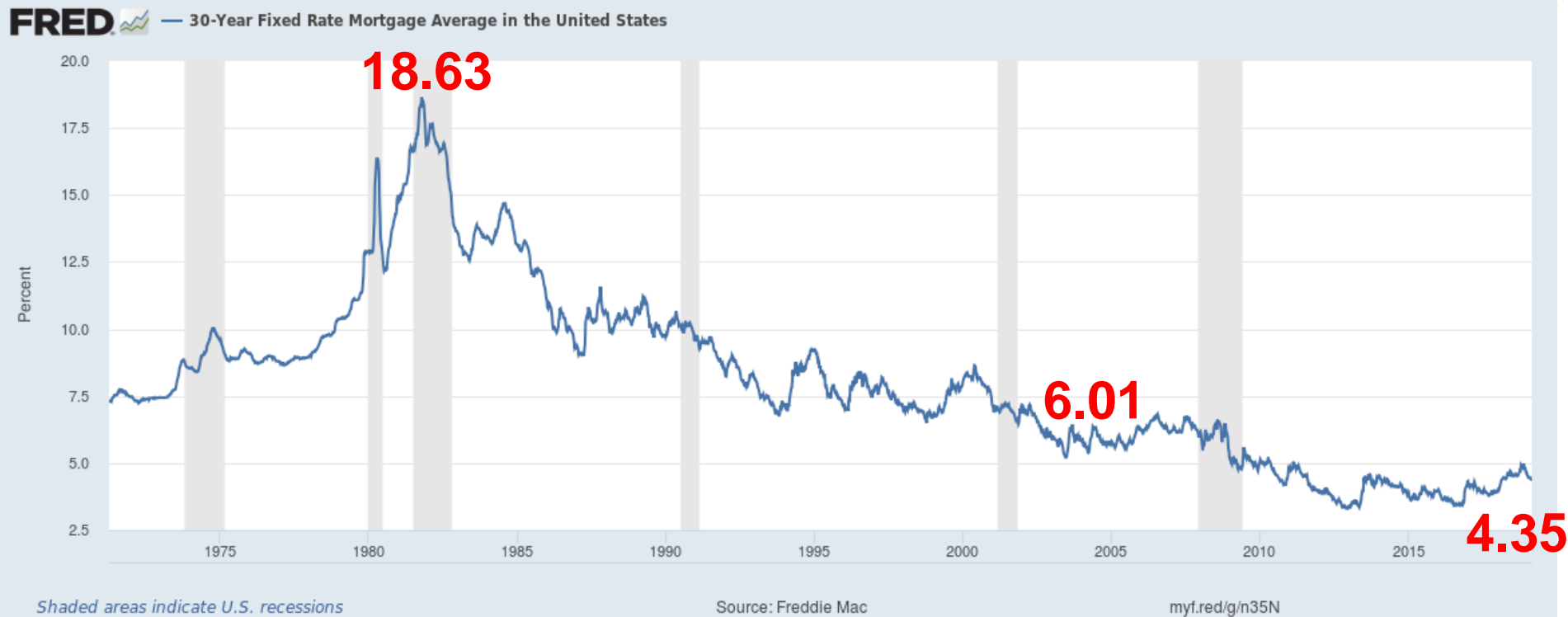
Appeal and Relief Options

What Forces are Impacting Residential Property Values?

- Interest rates are on the rise, but still historically low
- Foreclosure filings are down
- Supply of homes for sale is low



Interest Rates have Risen, but Remain Historically Low



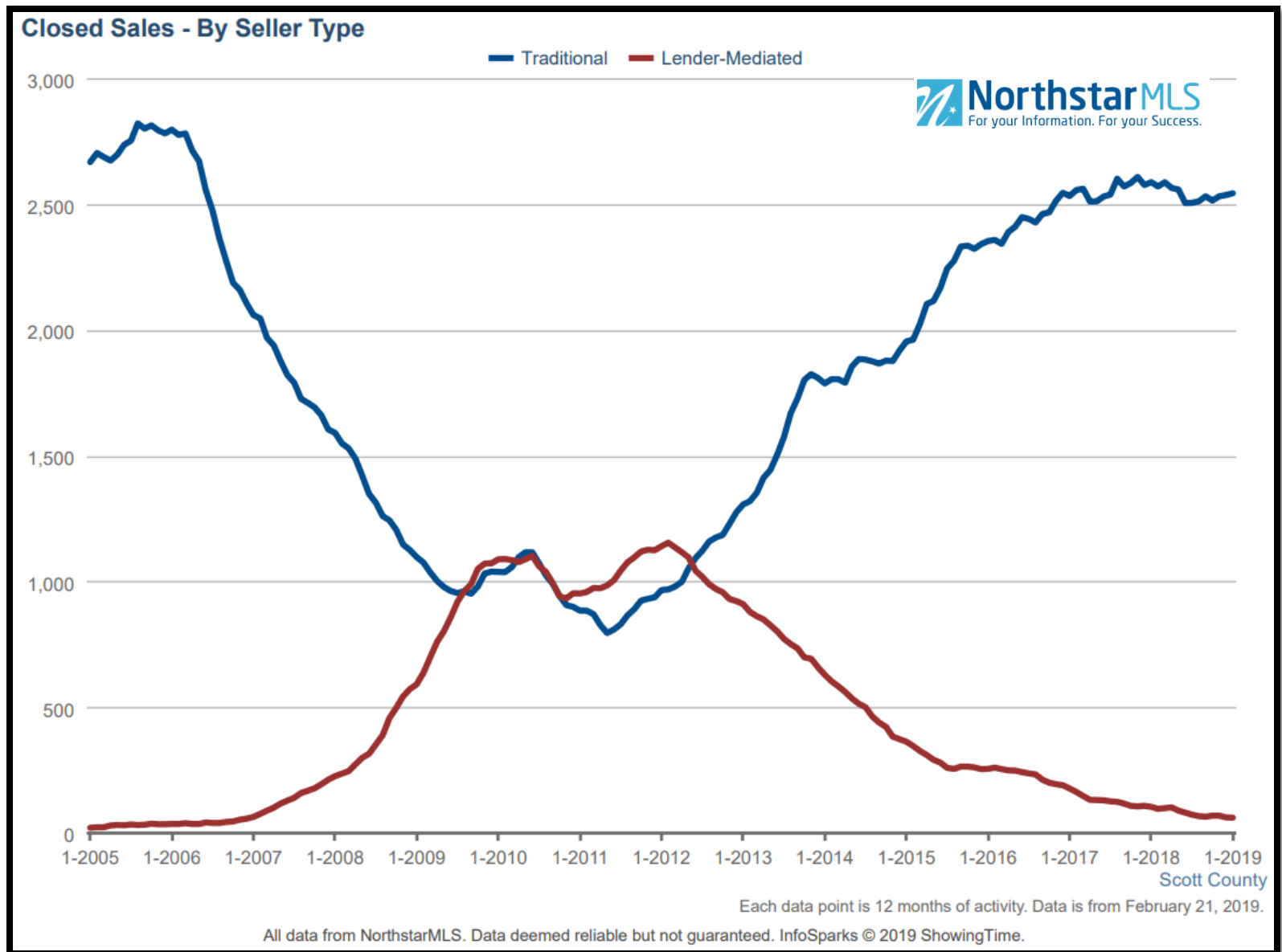
Interest Rates have Risen, but Remain Historically Low



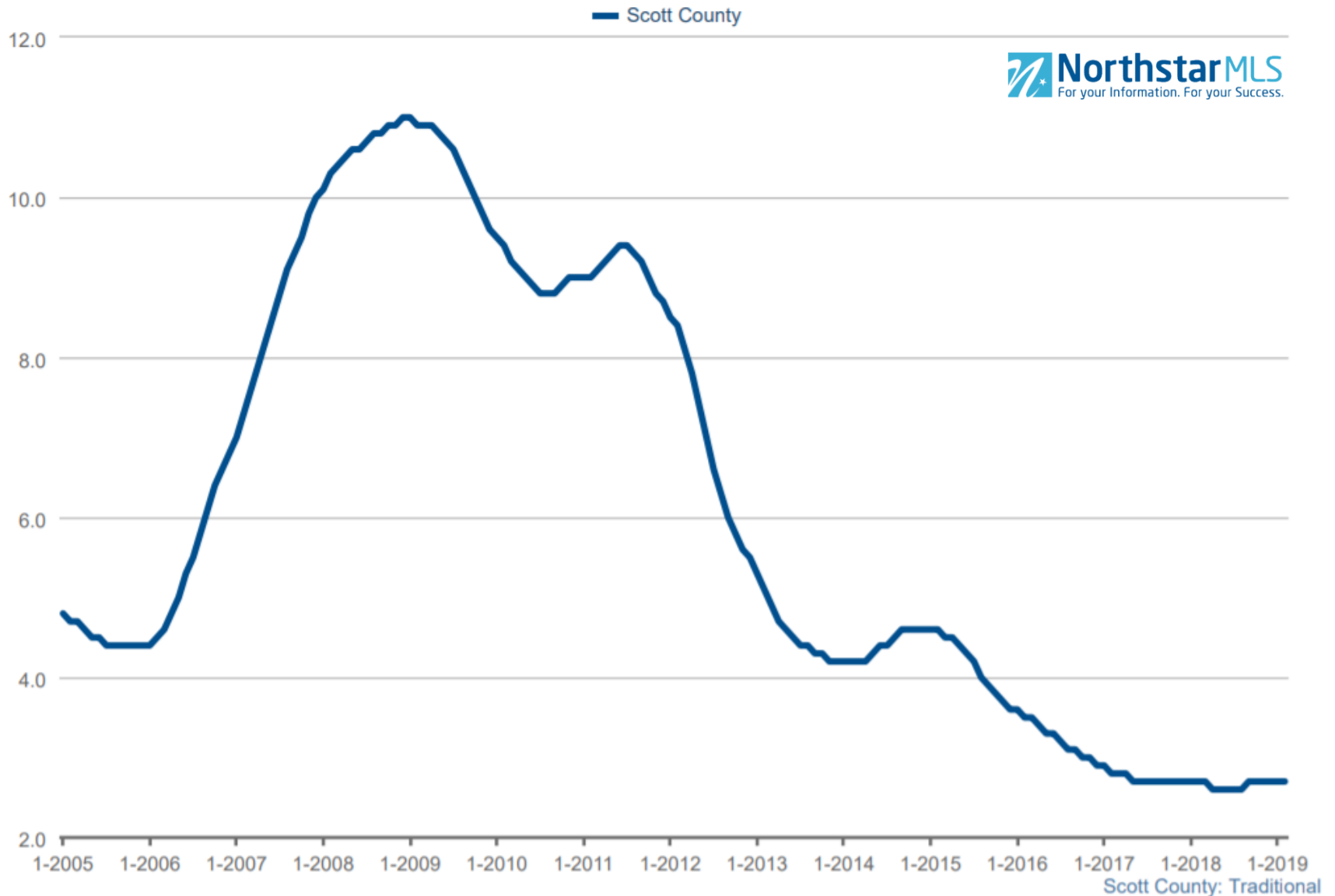
Foreclosure Filings Dropped Again



Lender-Mediated Sales Have Subsided



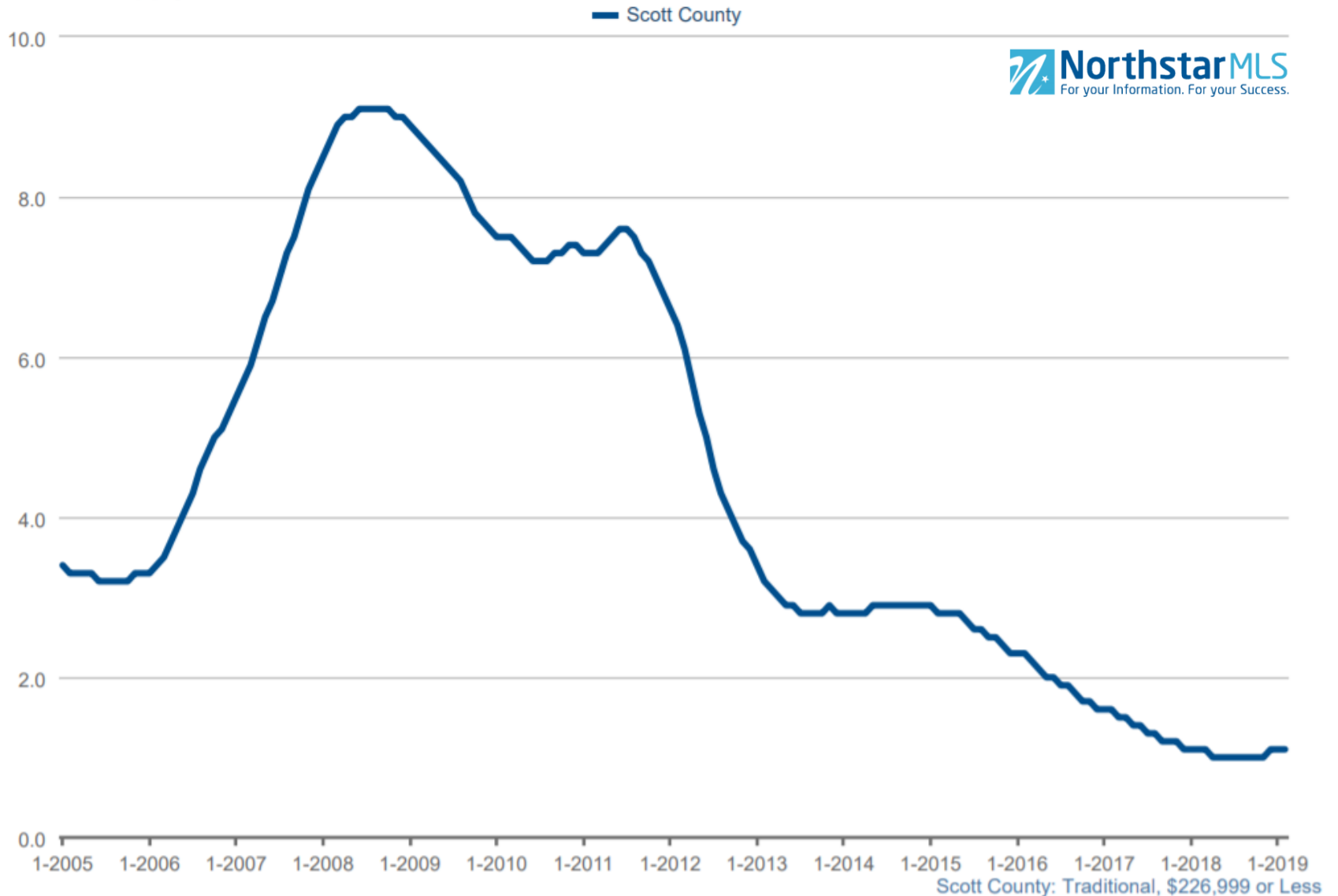
Months Supply of Homes for Sale



Each data point is 12 months of activity. Data is from March 3, 2019.

All data from NorthstarMLS. Data deemed reliable but not guaranteed. InfoSparks © 2019 ShowingTime.

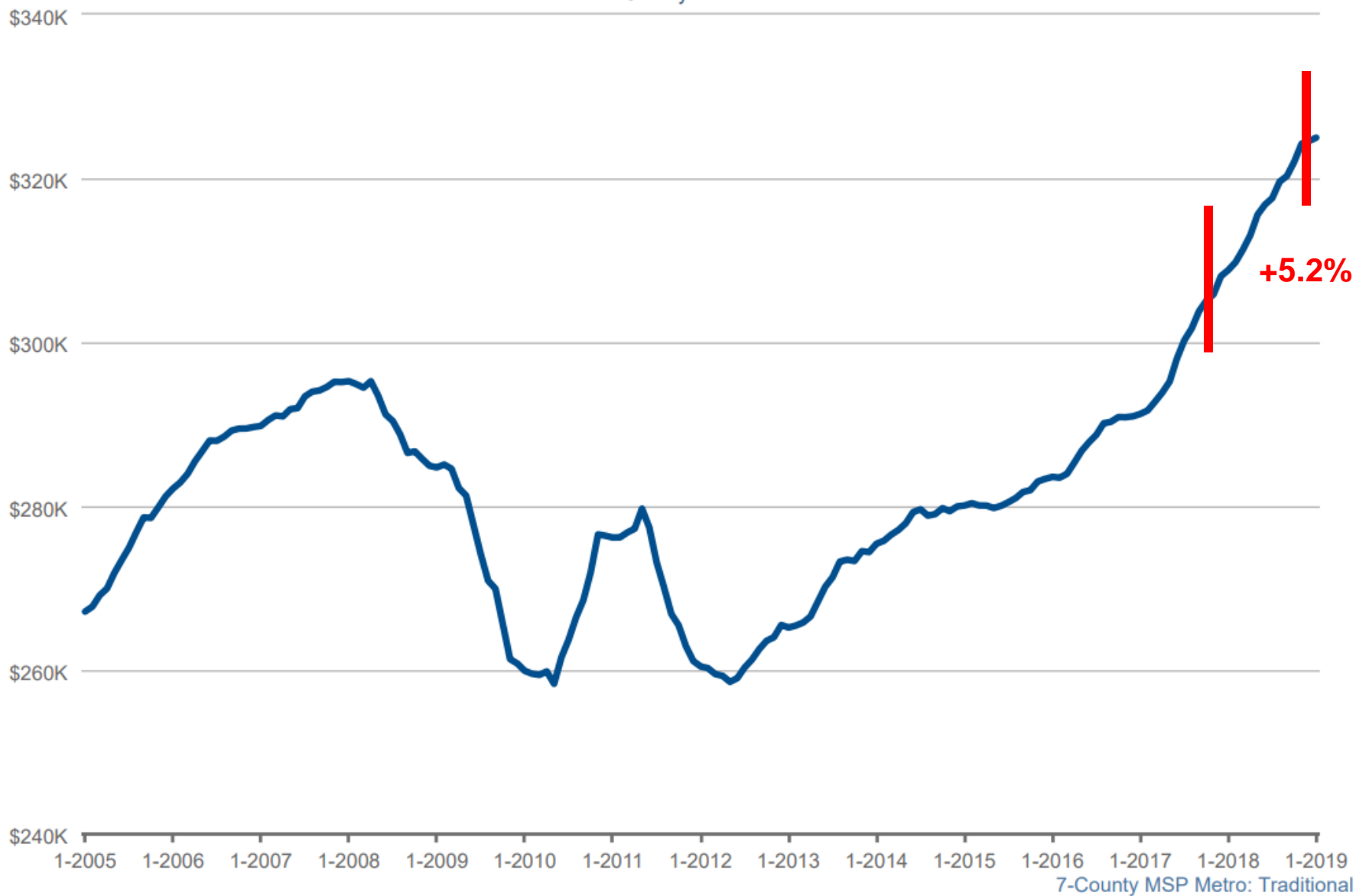
Months Supply of Homes for Sale <\$227,000



Each data point is 12 months of activity. Data is from March 3, 2019.

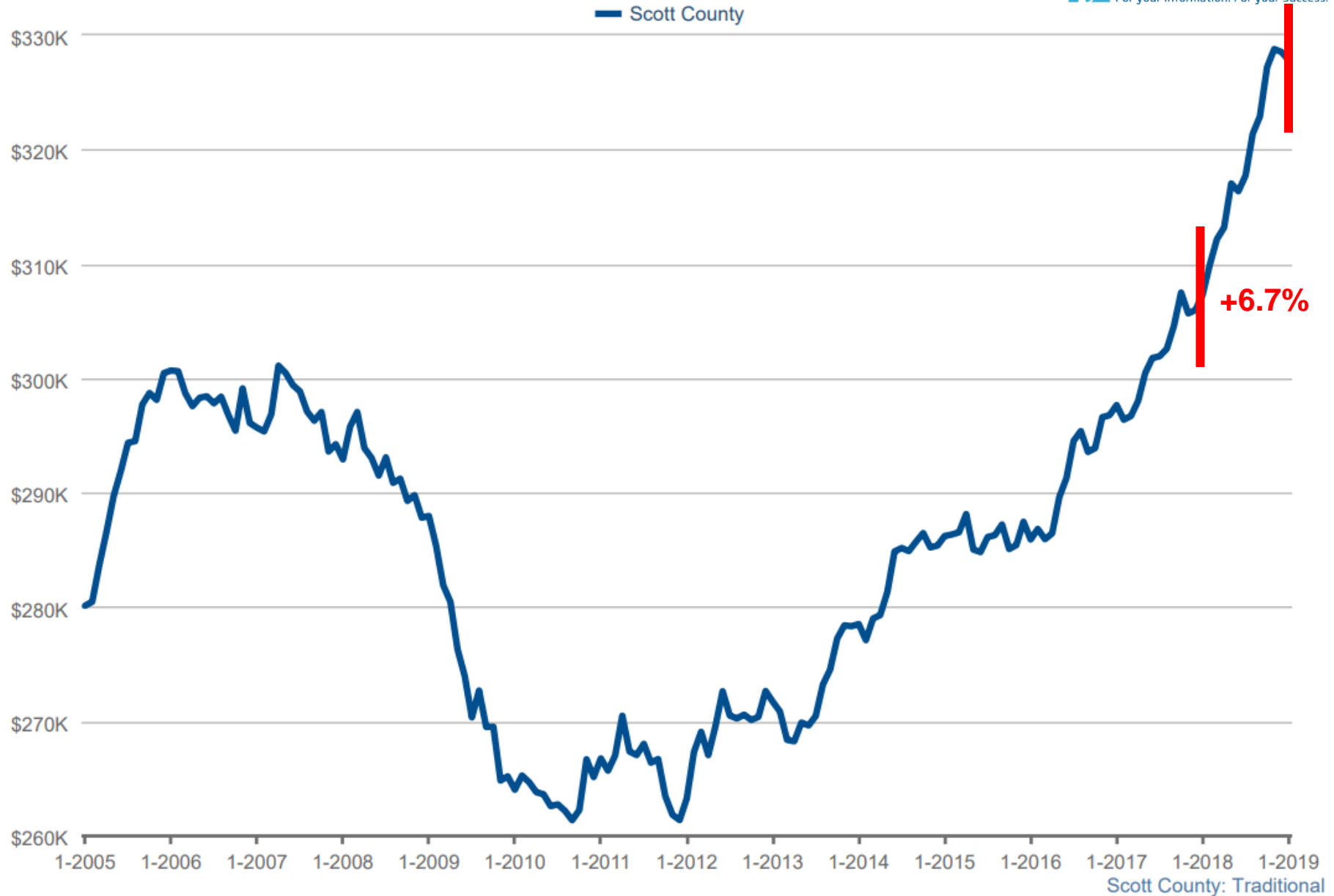
Average Sales Price

7-County MSP Metro



Each data point is 12 months of activity. Data is from February 25, 2019.

Average Sales Price



Each data point is 12 months of activity. Data is from February 25, 2019.

Average Sales Price



Each data point is 12 months of activity. Data is from March 3, 2019.

Commercial - Retail

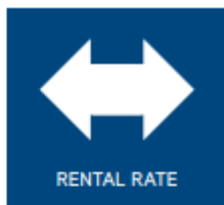


Creative Backfills and New Deliveries Create Positive Outlook for 2019

Q4 Market Indicators

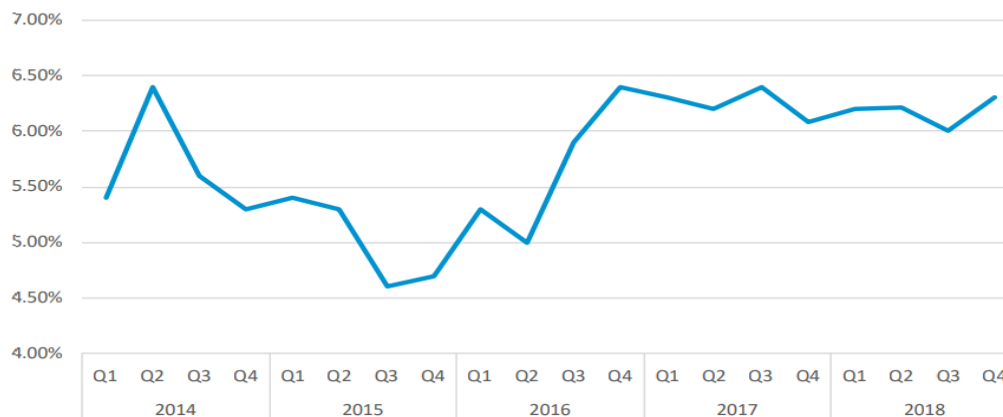


Relative to prior period



The second half of 2018 experienced 56,000 square feet of negative absorption in the multi-tenant retail market, negating the positive absorption that occurred in the first half of the year. **This negative absorption was due to closings of Toys 'R' Us, Herberger's and Sears big box and junior box stores in the latter half of the year.**

Vacancy



Industrial

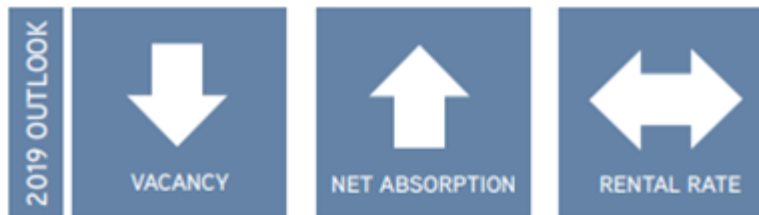


Continued Industrial Demand Encourages Steady Market in 2019

- The industrial multi-tenant market continued its positive absorption trends, recording the tenth consecutive quarter of positive absorption and **maintaining historically low vacancy.**
- Rental rates have remained steady, with only slight increases.
- New construction deliveries are continuing to shape the industrial market change and influencing where tenants are moving. The Twin Cities saw 2.8 million square feet of new industrial completions in 2018.

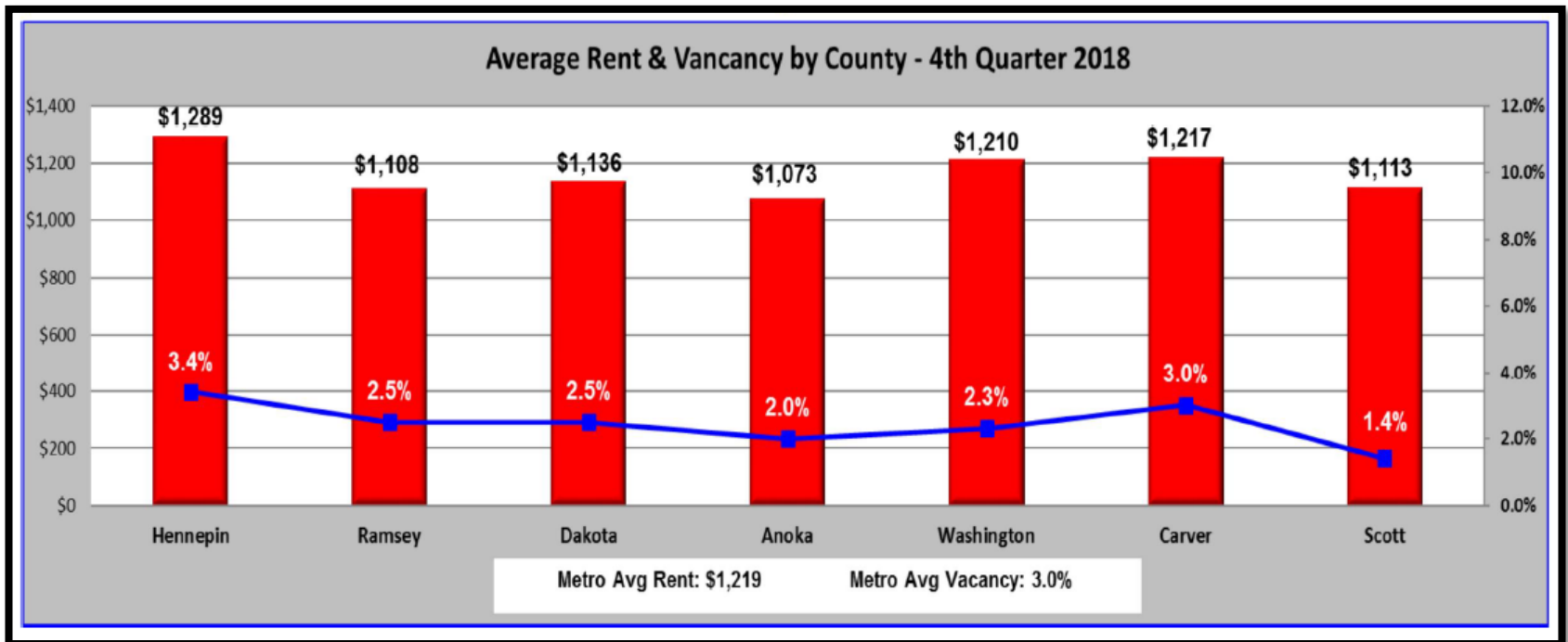
SOUTHWEST

VAC RATE 5.5% | 2018 ABSORPTION 224,000 | NEW CONSTRUCTION
784,956 SF



Apartments

- Shakopee, Prior Lake, Savage average rents:
 - 1BR \$1,100 – up 13.9% from \$966
 - 2BR \$1,274 – up 7.8% from \$1,182
- Scott County vacancy rate is lowest in the metro area



Prior Lake Example

Similar 4-Plex Sales over Three Years



1/26/2016 - Sold for \$77,500/unit



7/5/2017 – Sold for \$81,250/unit



2/6/2018 – Sold for \$99,900/unit

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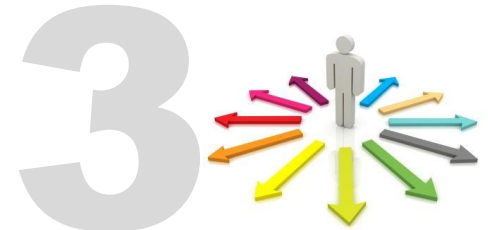


Market Update

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**Changes for
2019 Assessment**



Appeal and
Relief Options

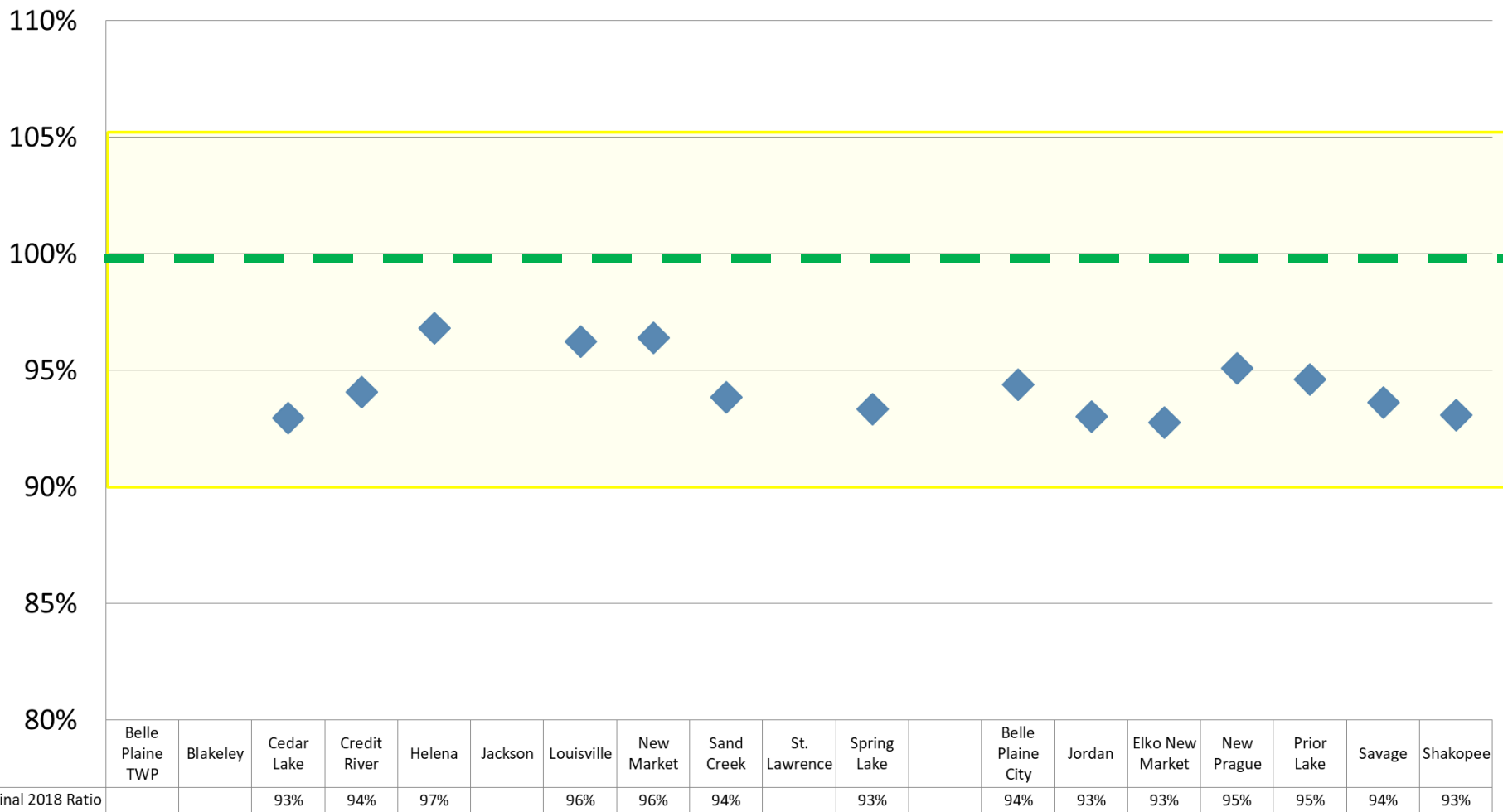
Value Added due to New Construction

	pay 2019	pay 2020	
Agricultural	\$2,071,200	\$2,394,600	16%
Apartment	\$23,679,600	\$45,360,799	92%
Commercial / Industrial	\$52,615,100	\$36,788,102	-30%
Residential Improved	\$189,878,600	\$240,778,217	27%
	\$268,244,500	\$325,321,718	21%

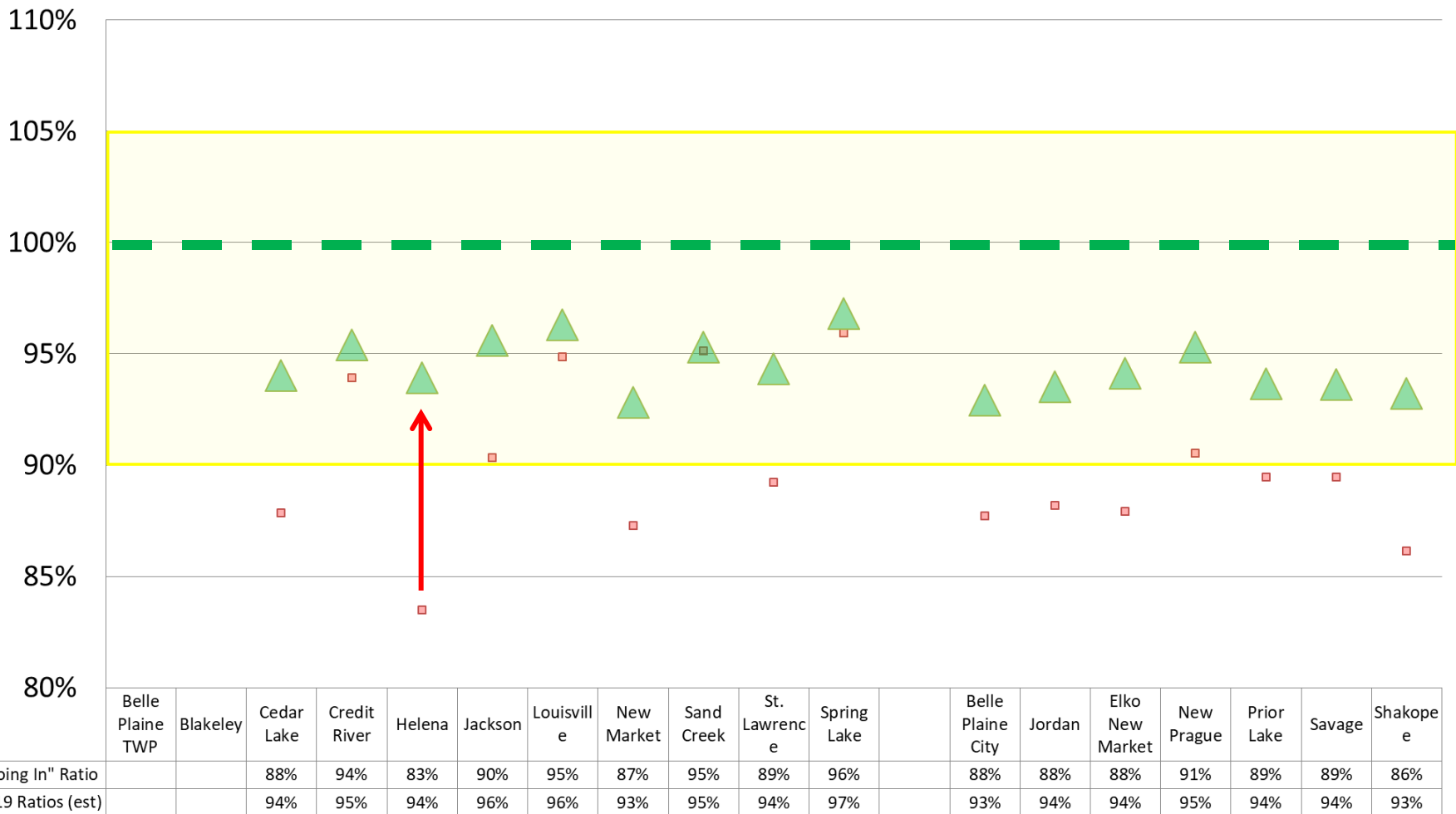
Average Value Changes Residential

Payable Assessment	2019 1/2/2018	2020 1/2/2019	% CHG
BP TWP	\$355,700	\$374,300	5.2%
Blakeley	\$304,100	\$327,400	7.7%
Cedar Lake	\$441,900	\$459,900	4.1%
Credit River	\$511,700	\$521,600	1.9%
Helena	\$380,700	\$434,400	14.1%
Jackson	\$384,300	\$419,500	9.2%
Louisville	\$434,600	\$458,200	5.4%
New Market	\$442,400	\$464,000	4.9%
Sand Creek	\$397,700	\$398,100	0.1%
St. Lawrence	\$381,500	\$398,100	4.4%
Spring Lake	\$469,400	\$472,500	0.7%
BP City	\$205,200	\$220,200	7.3%
Jordan	\$237,700	\$251,900	6.0%
Elko New Market	\$280,600	\$294,400	4.9%
New Prague	\$216,800	\$226,000	4.2%
Prior Lake	\$349,600	\$366,300	4.8%
Savage	\$295,200	\$313,000	6.0%
Shakopee	\$255,400	\$272,600	6.7%
COUNTY	\$310,100	\$326,500	5.3%

MDOR Final 2018 Residential Ratios

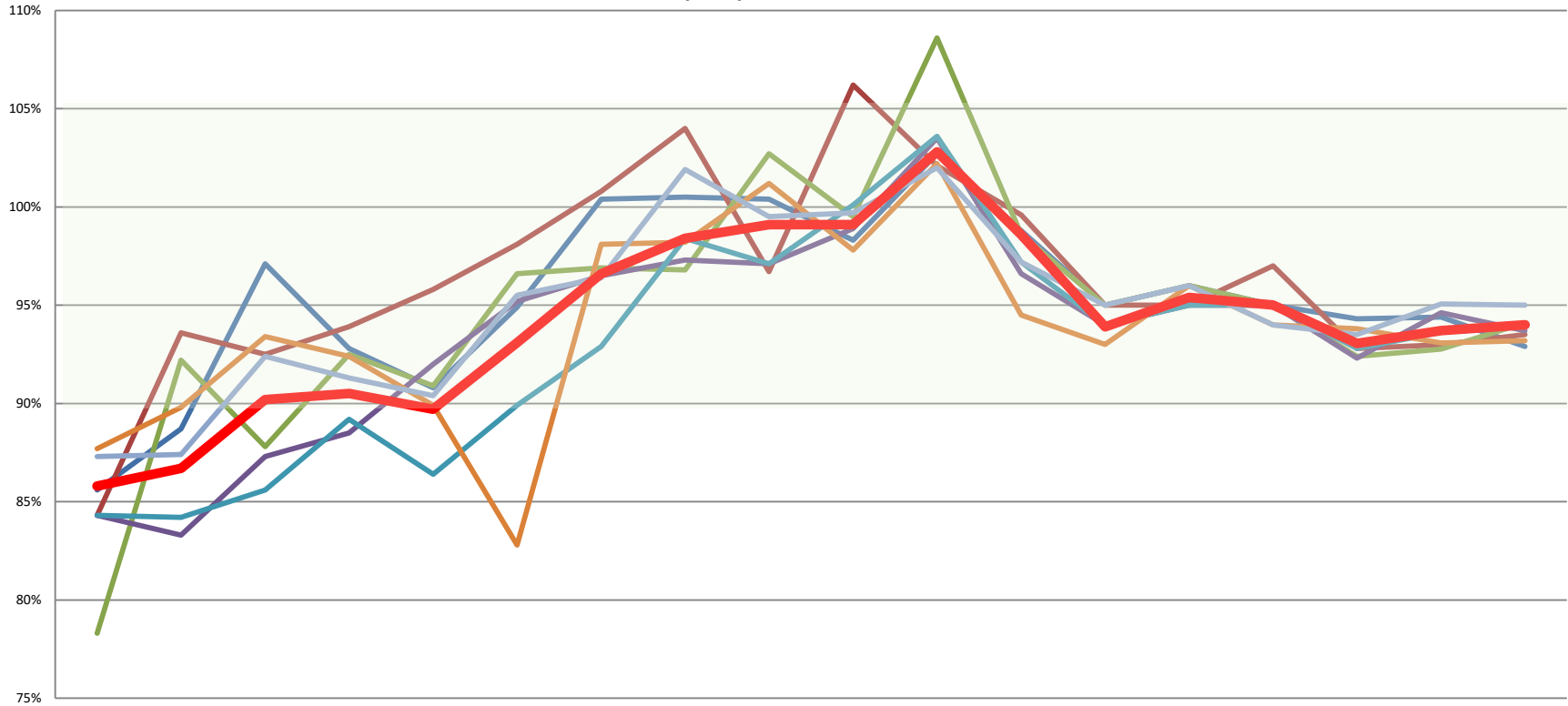


MDOR “going in” 2019 and *projected* final Residential Ratios



Big Picture Assessment Level Equalization

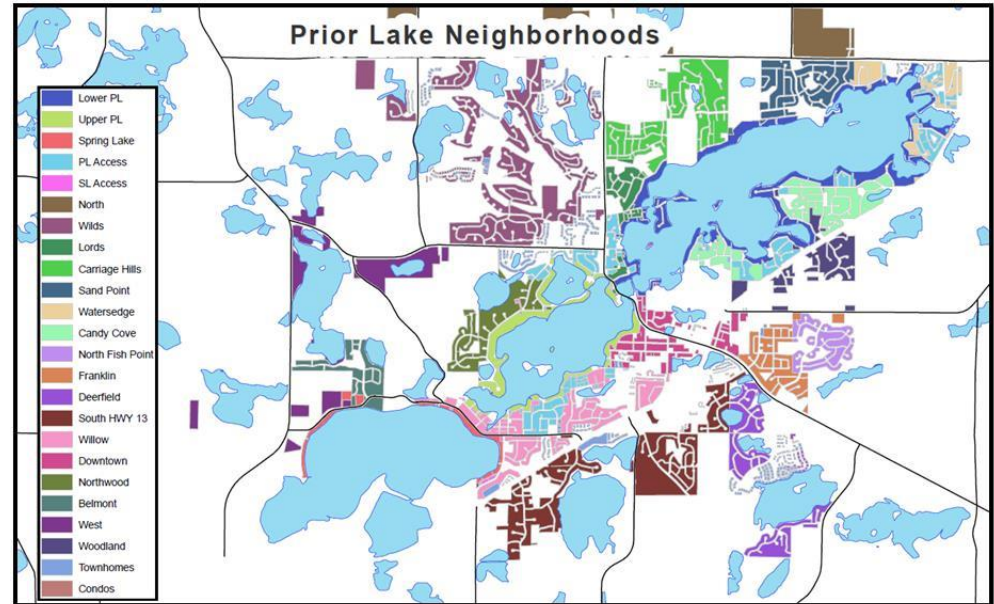
Residential - Median Ratio History - City Breakout



	1/2/2002	1/2/2003	1/2/2004	1/2/2005	1/2/2006	1/2/2007	1/2/2008	1/2/2009	1/2/2010	1/2/2011	1/2/2012	1/2/2013	1/2/2014	1/2/2015	1/2/2016	1/2/2017	1/2/2018	1/2/2019
Belle Plaine City	86%	89%	97%	93%	91%	95%	100%	101%	100%	98%	103%	99%	95%	96%	95%	94%	94%	93%
Jordan	84%	94%	93%	94%	96%	98%	101%	104%	97%	106%	102%	100%	95%	95%	97%	93%	93%	94%
Elko New Market	78%	92%	88%	93%	91%	97%	97%	97%	103%	100%	109%	99%	95%	96%	95%	92%	93%	94%
Prior Lake	84%	83%	87%	89%	92%	95%	97%	97%	97%	99%	104%	97%	94%	95%	95%	92%	95%	94%
Savage	84%	84%	86%	89%	86%	90%	93%	98%	97%	100%	104%	97%	94%	95%	95%	93%	94%	94%
Shakopee	88%	90%	93%	92%	90%	83%	98%	98%	101%	98%	102%	95%	93%	96%	94%	94%	93%	93%
New Prague	87%	87%	92%	91%	90%	96%	96%	102%	100%	100%	102%	97%	95%	96%	94%	94%	95%	95%
COUNTY	86%	87%	90%	91%	90%	93%	97%	98%	99%	99%	103%	99%	94%	95%	95%	93%	94%	94%

Market Areas

We further stratify
by neighborhood,
style, era, etc.



1 County

18 Jurisdictions

162 Residential
Neighborhoods

Other Stratification Criteria Examples

- **Price Point**
 - Entry level
 - High end
 - Etc.



- **Home Style**
 - Rambler
 - Two Story
 - Split Entry



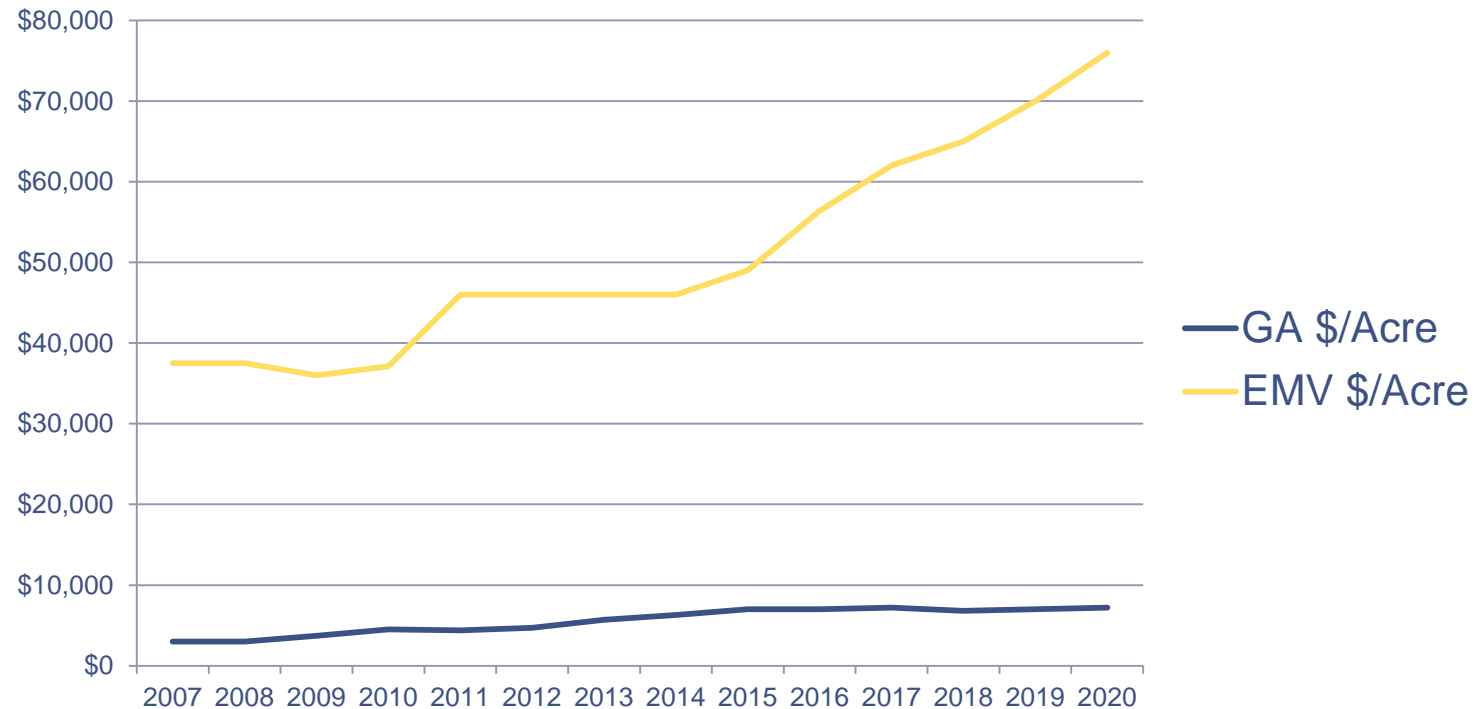
- **Age**
 - Older vs. newer areas



Agricultural and Green Acre Values

Green Acre values adjusted from
\$7,000 to \$7,200 per acre

Impact Example (Shakopee):



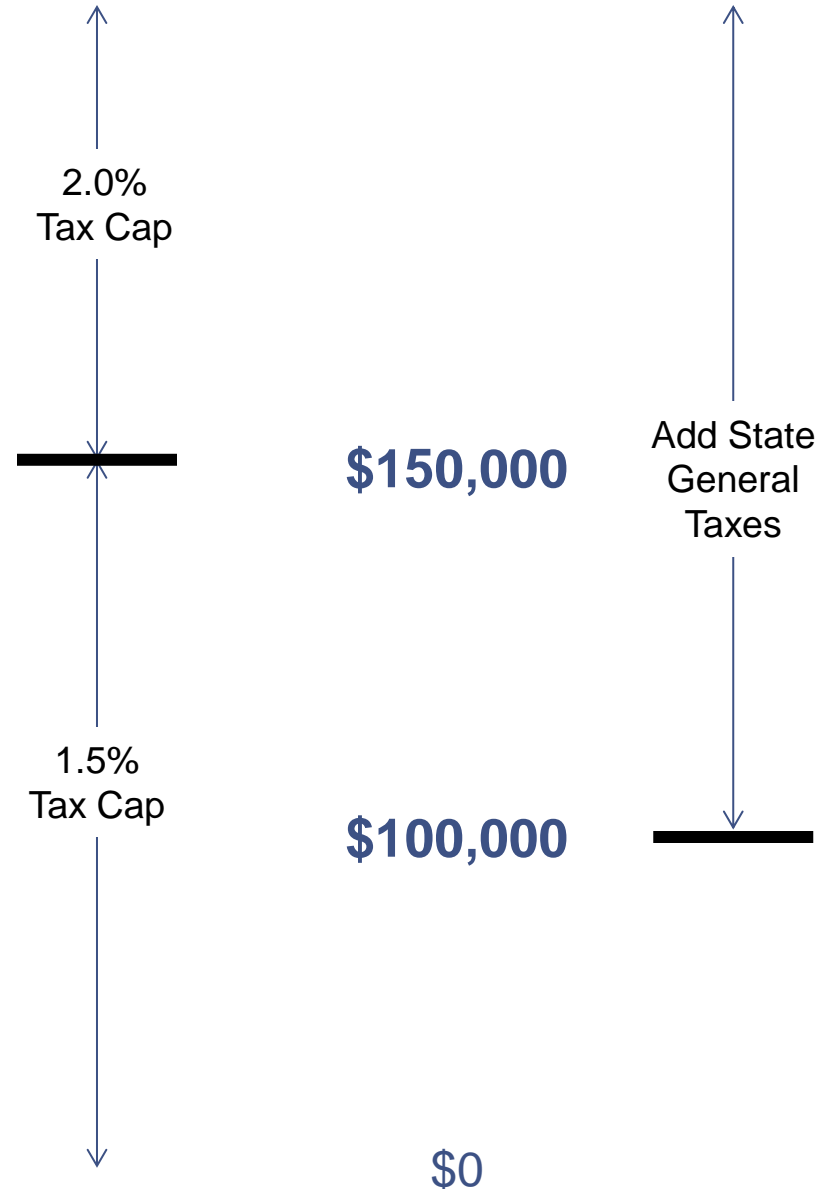
Commercial, Industrial, Apartments

2018 Final	2019 “going in”		2019 projected
Commercial 23 Sales 95.6% Ratio	Commercial 26 Sales 89.7% Ratio	+4 to 7 %	Commercial 26 Sales 93.4% Ratio
Industrial 17 Sales 94.8% Ratio	Industrial 11 Sales 81.3% Ratio	+10 to 13%	Industrial 11 Sales 95.6% Ratio
Apartments 8 Sales 95.0% Ratio	Apartments 9 Sales 79.9% Ratio	+17 to 20%	Apartments 9 Sales 94.8% Ratio

Commercial and Industrial Tax Tiers

The tier system on commercial property can have a lot to do with the discrepancy between value change and proposed tax changes

- The 1st \$100,000 in value paying at a 1.5% tax capacity rate with no state general taxes.
- From \$100,001 to \$150,000 it's still a 1.5% tax capacity, but add in state general taxes.
- At \$150,000 and up the class rate moves to 2% on class and state general taxes.



Agenda

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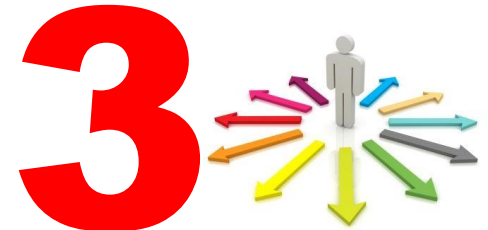


Market Update

2



Changes for
2019 Assessment



**Appeal and
Relief Options**

SCOTT COUNTY
200 4th Avenue West
Shakopee, MN 55379
(952) 426-5111
E-mail: property@scottcountymn.gov
www.scottcountymn.gov

Tax Statement 2019
Values for Taxes Payable in 2019
VALUATION NOTICE CLASSIFICATION

Taxes Payable Year: 2018 2019

Step 1
Step 2 PROPOSED TAX NOTICE
Step 3 PROPERTY TAX STATEMENT

\$\$\$ REFUNDS?
You may be eligible for one or even two refunds to reduce your property tax. Read the back of this statement to find out how to apply.

Tax Detail for Property:
Taxes Payable Year: 2018 2019

1. Use the amount or type of 2018 to see if you are eligible for a transaction-related refund. This is by April 15.
If this box is checked, you owe no refund and taxes are not eligible. ☐
Use these principles on Form 1079 to see if you are eligible for a refund related to:

2. Property taxes before credits:
A. Credits that reduce your property taxes:
A. Agricultural and Rural Land Credits
B. Other Credits

3. Property taxes after credits:
A. County

4. City or Town:
A. State General Tax
B. School District
C. Other Local Taxes

5. Special Taxing Districts:
A. Water Approval Levies
B. Other Local Levies

6. Non-refundable water approval reference levies:
A. Other Local Levies

7. Total property tax before special assessments:
A. Other Local Levies

8. Special assessments:
A. Other Local Levies

9. 2018 TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS

PAYABLE 2019 2nd HALF PAYMENT STUB
TO AVOID PENALTY PAY ON OR BEFORE
Property ID: _____

Taxpayer: _____

MAKE CHECKS PAYABLE TO: SCOTT COUNTY
If you wish to pay by check, please check the box below.
☐ A/C: Collections (for new Dept.)
200 4TH AVE W
SHAKOPEE MN 55379

PAYABLE 2019 1st HALF PAYMENT STUB
TO AVOID PENALTY PAY ON OR BEFORE
Property ID: _____

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200 4TH AVE W
SHAKOPEE MN 55379

2019 Tax Statement

SAVE STEPS

SAVE STAMPS

SAVE TIME

SAVE TREES

eNoticesOnline gives you so many ways to save while reducing your paper footprint and going green. It's quick, it's easy and it's FREE to go paperless on your next statement.

Try it today - eNoticesOnline.com
See reverse side for instructions on setting up your eNoticesOnline account.

MASTER'S TOUCH, LLC eNoticesOnline

Scott County
200 4th Avenue West
Shakopee, MN 55379
www.scottcountymn.gov

VALUATION NOTICE
2019 Values for Taxes Payable in
Property tax notices are delivered on the following schedule:
Valuation and Classification Notice

Step 1
Step 2 Proposed Taxes Notice
Step 3 Property Tax Statement

The time to appeal or question your CLASSIFICATION or VALUATION is NOW!
It will be too late when proposed taxes are sent.

Your Property's Classification(s) and Values

The amount has decreased your property's classification to be:

☐ If this box is checked, your classification has changed from last year's assessment.
The classification of your property affects the rate at which your value is taxed.
The amount has increased your property's market value to be:

General Assessor can reduce the amount due in subject to suit.

The Parcel is currently enrolled in one or more of the following programs:

See improvements included in 2019 Estimated Market Value:

APPRAISER PHONE #

How to Respond
If you believe your valuation and property class are correct, it is not necessary to contact your assessor or attend any future meeting. If the property information is not correct, you disagree with the values, or you have other questions about this notice, please contact your assessor first to discuss any questions or concerns. Often your issues can be resolved at this level. If your questions or concerns are not resolved, more formal appeal options are available. Please read the back of this notice for important information about the formal appeal process.

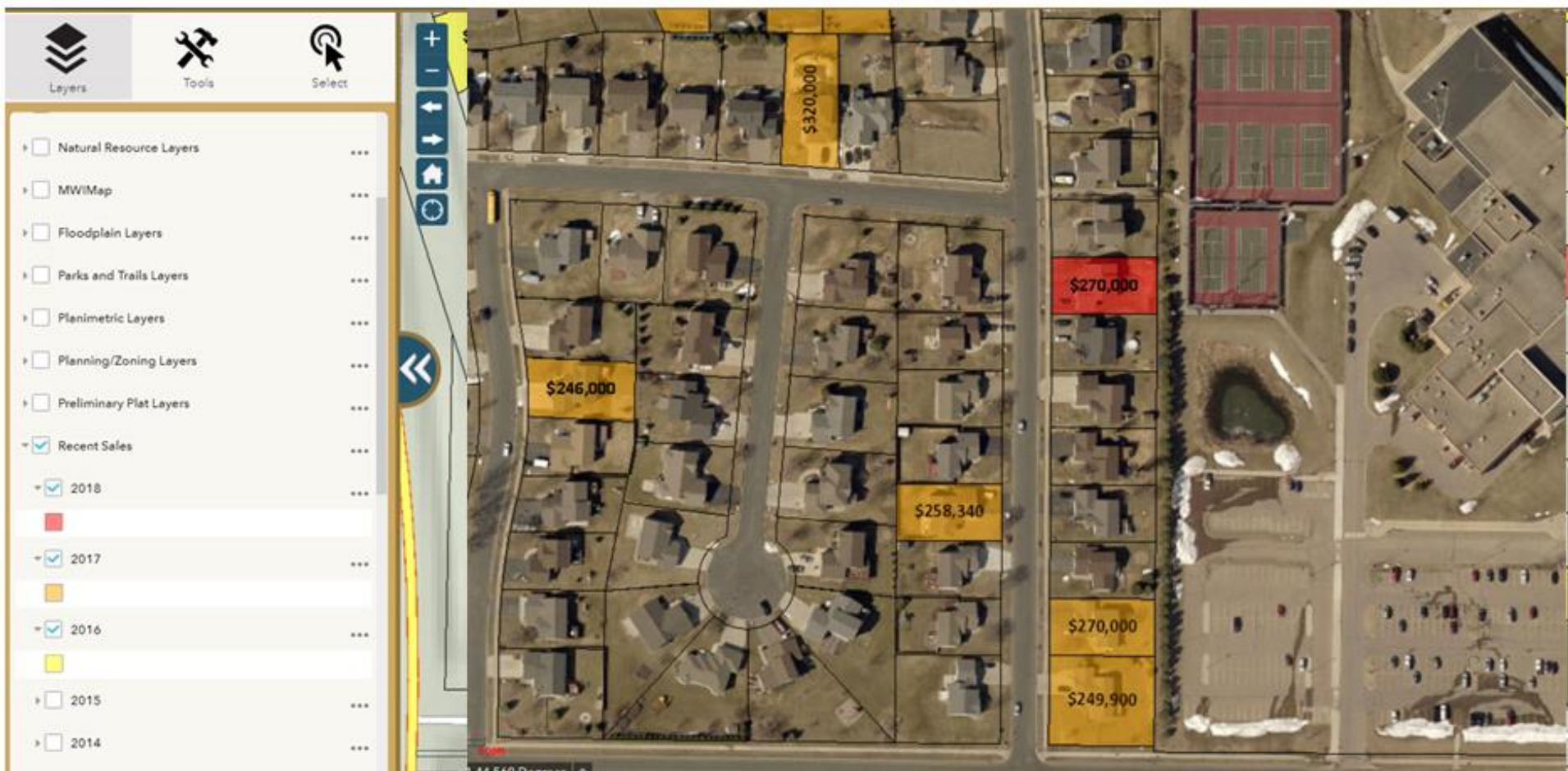
The following meetings are available to discuss or appeal your value and classification:
Local Board of Appeal and Reappraisal/Open Book
County Board of Appeal and Reappraisal - [The Appointment Desk](#)

Please read the back of this notice for important appeal information.

2019 Value Notice


Scott County GIS Recent Sales Layer

<https://gis.co.scott.mn.us/sg3>



Electronic Certificate of Real Estate Value (eCRV)

Online Search Functionality Upgraded by MDOR

 **DEPARTMENT
OF REVENUE**

Electronic Certificate of Real Estate Value (eCRV) Search Options

Choose one of the following three search options:


Custom Search

eCRV ID


Parcel ID

Fields marked with an asterisk (*) are required.

County:


Scott 

Jurisdiction:


Helena 

Search Type: *


☐ Preliminary

☒ Completed 


Property Use Group:

Residential 

Property Use:


Single family home 

Property Use Detail:


-Select One- 

Select a Sale Date Range:

Begin Date: *

10/01/2017 

End Date:

09/30/2018 

Submit Search

Reset

Electronic Certificate of Real Estate Value (eCRV)

Online Search Functionality Upgraded by MDOR

Show

10

▼

entries

Filter

eCRV ID	↕	Sale Date	↕	County	↕	Jurisdiction	↕	Deed Acres	↕	Buyer	↕	Seller	↕	Gross Sale	↕
875225		2018-09-28		Scott		Helena		0.92		Okhman		Mellgren		\$275,000.00	
867788		2018-09-12		Scott		Helena		10.0		Rindahl		Wientjes		\$499,900.00	
846140		2018-07-27		Scott		Helena		10.0		Thiele		Langfield		\$427,900.00	
842797		2018-07-20		Scott		Helena		0.45		Kemppainen		Paul Hanzel Hom		\$79,900.00	
842539		2018-07-20		Scott		Helena		0.22		Olson		Mars		\$419,900.00	
822349		2018-06-07		Scott		Helena				Daniel		Juszczak		\$125,000.00	
822307		2018-06-08		Scott		Helena		1.88		Kubes		Germseheid		\$170,000.00	
811358		2018-05-21		Scott		Helena				BOUSHEK		ECKER		\$366,000.00	
809293		2018-05-16		Scott		Helena				Wallerich		Hoen		\$424,300.00	
808915		2018-05-15		Scott		Helena		2.6		Dorick		Rolli		\$480,000.00	

Showing 1 to 10 of 26 entries

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Appeals for Payable 2020

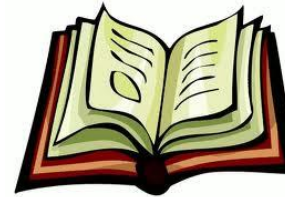


Informal
talk to the
appraiser

March – May 2019

LBAE
Local Board of
Appeal and
Equalization

April 2019



Open Book
semi-formal
at assessor office

May 8, 2019



June 17, 2019

**By Appointment Only
Scott County Courthouse**

CBAE
SPECIAL Board of
Appeal and
Equalization

Tax Court
Can skip all previous
steps
File by April 30, 2020



What Options May Exist for the Taxpayer?

- Property Tax Refund
- Special Property Tax Refund
 - No income limitation
- Senior Citizen Property Tax Deferral
- Disabled Veteran's Homestead Property Tax Exclusion
- Land Programs
 - Green Acres
 - Rural Preserve
- Special Homestead for Property Owners who are Blind or Disabled
- Understand Appeal Process and Timeline

https://www.revenue.state.mn.us/individuals/prop_tax_refund/Pages/Homeowners_Property_Tax_Refund.aspx

Property Tax Refund >

Homeowner's Homestead Credit Refund



Text Size



Printer Friendly

Minnesota has two property tax refund programs for homeowners: the **regular** Homestead Credit Refund and the **special** Homestead Credit Refund. You may qualify for either or both of these refunds depending on your income and property tax increase.

Note: Before claiming this refund, review [Schedule M1NC, Federal Adjustments](#), and determine if you must file this schedule. For more information, see [Federal Adjustments](#).

Do I qualify for the Homestead Credit Refund?

To qualify for either the regular or special refund, all of the following must be true:

- You have a valid Social Security number.
- Your property is classified as your homestead. If your property is not homesteaded, you must apply for homestead status through your county and have it approved on or before December 15, 2019 (or May 29, 2019, for mobile home owners).
- You have paid your property taxes or made arrangements to pay them by August 15, 2020. You can arrange to pay delinquent property taxes by signing a confession of judgement statement with your county. Include a copy of this statement with your return.

The regular and special refunds have their own requirements. For more information, see the table below:

Type of refund	Requirements to claim the refund
Regular Homestead Credit Refund	<ul style="list-style-type: none">■ You owned and lived in your home on January 2, 2019.■ Your household income for 2018 was less than \$113,150.
Special Homestead Credit Refund	<ul style="list-style-type: none">■ You owned and lived in the same home on January 2, 2018, and on January 2, 2019.■ Your homestead's net property tax increased by more than 12 percent from 2018 to 2019.■ The net property tax increase was at least \$100.■ The increase was not due to improvements you made to the property. <p>Note: There is no income limit for the special refund. You may qualify for the special refund even if you do not qualify for the regular refund.</p>

Thank You!
Questions or Comments

